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8
9 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
10 **SAN FRANCISCO DIVISION**

11
12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

REORGANIZED DEBTORS' THIRD
OMNIBUS OBJECTION TO CLAIMS
(DUPLICATE CLAIMS)

Response Deadline:
September 8, 2020, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: September 22, 2020

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the
7 “**Chapter 11 Cases**”) hereby submit this third omnibus objection (the “**Objection**”) to the Proofs of
8 Claim (as defined below) identified in the column headed “Claims To Be Disallowed and Expunged” on
9 **Exhibit 1** annexed hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334. This matter is
12 a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to
13 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested are section 502 of Title
14 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of
15 Bankruptcy Procedure (collectively, the “**Bankruptcy Rules**”).

16 **II. BACKGROUND**

17 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
18 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
19 Debtors continued to operate their businesses and manage their properties as debtors in possession
20 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
21 in either of the Chapter 11 Cases. The Debtors’ Chapter 11 Cases are being jointly administered for
22 procedural purposes only pursuant to Bankruptcy Rule 1015(b).

23 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an Official
24 Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019, the U.S.
25 Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**” and,
26 together with the Creditors Committee, the “**Committees**”).

27 Additional information regarding the circumstances leading to the commencement of the Chapter
28 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the

1 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket
2 No. 263].

3 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
4 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
5 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
6 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
7 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all
8 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section
9 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
10 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
11 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
12 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**
13 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
14 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
15 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims
16 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

17 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*
18 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
19 further modified, amended or supplemented from time to time, and together with any exhibits or
20 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**
21 **Date**”). See Dkt. No. 8252.

22 **III. RELIEF REQUESTED**

23 The Reorganized Debtors file this Objection pursuant to section 502 of the Bankruptcy Code,
24 Bankruptcy Rule 3007, and Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*
25 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
26 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”)

27
28 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 seeking entry of an order disallowing Proofs of Claim that duplicate others already submitted in these
2 Chapter 11 Cases (referred to hereafter as either the “**Duplicate Claims**” or the “**Objected-To Claims**”).
3 The Duplicate Claims and the Proofs of Claims of which they are duplicates (the “**Surviving Claims**”)
4 are both identified on **Exhibit 1**, in the columns headed “Claims To Be Disallowed and Expunged” and
5 “Surviving Claims,” respectively. Exhibit 1 also specifically identifies in the “Basis for Objection” that
6 the Objected-To Claims are classified as “Amended & Replaced,” which means that the Objected-To
7 Claim was superseded by a subsequently filed Proof of Claim that expresses that intention either on the
8 face of or in the attachments to the later-filed Proof of Claim. The Reorganized Debtors request that the
9 Duplicate Claims be disallowed and expunged. The Objection does not affect any of the Surviving
10 Claims. There is a Surviving Claim for each underlying claim asserted against the Debtors by a
11 Duplicate Claim that is the subject of this Objection.²

12 **IV. ARGUMENT**

13 **A. The Duplicate Claims Should be Disallowed**

14 Bankruptcy Rules 3007(d) and (e) and the Omnibus Objections Procedures Order govern
15 omnibus objections to claims in these Chapter 11 Cases. Pursuant to Bankruptcy Rule 3007(d)(1),
16 objections to more than one claim may be joined if the objections are based solely on the grounds that
17 the claims should be disallowed, in whole or in part, because they duplicate other claims, or have been
18 amended, or were filed in an incorrect case. Bankruptcy Rule 3007(e) requires that an omnibus objection
19 must list the claimants alphabetically and by cross-reference to claim numbers. Each of the Duplicate
20 Claims identified on **Exhibit 1** hereto duplicates another claim, which the Debtors have referenced, with
21 further explanation describing the specific nature of the duplication. Each of the Claimants is listed
22 alphabetically, and the claim number and amount are identified in accordance with Bankruptcy Rule
23 3007(e). Furthermore, in accordance with the Omnibus Objections Procedures Order, the Reorganized
24 Debtors have sent individualized notices to the holders of each of the Objected-To Claims. The
25 Reorganized Debtors request that the Court disallow the Duplicate Claims in their entirety. For the

26 ² In some instances the same Surviving Claim appears in multiple entries in the “Surviving Claims”
27 column on **Exhibit 1**. The multiple entries mean that there were multiple Duplicate Claims filed with
28 respect to the same underlying obligation, and the identified Surviving Claim listed in multiple entries
is the sole remaining Proof of Claim for all of the corresponding Objected-To Claims listed in the
“Claims To Be Disallowed and Expunged” column.

1 avoidance of doubt, the Surviving Claims are not affected by this Objection.

2 The Reorganized Debtors and their professionals have reviewed the Duplicate Claims, all
3 documents furnished by the Claimants with respect to the Duplicate Claims, and the Reorganized
4 Debtors' books and records, and have determined that each Duplicate Claim is duplicative of the
5 applicable Surviving Claim because the Duplicate Claim is obsolete because the Claimant has filed an
6 amended claim. To avoid multiple recoveries by the same Claimant on the same obligation, the
7 Reorganized Debtors request that the Court disallow and expunge in their entirety the Duplicate Claims.
8 The Surviving Claims will remain on the claims register, subject to pending and further objections.

9 **B. The Claimants Bear the Burden of Proof as to the Duplicate Claims**

10 A filed proof of claim is "deemed allowed, unless a party in interest . . . objects." 11 U.S.C.
11 § 502(a).³ Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim
12 may not be allowed if "such claim is unenforceable against the debtor and property of the debtor, under
13 any agreement or applicable law." 11 U.S.C. § 502(b)(1). Once the objector raises "facts tending to
14 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,"
15 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
16 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then "the burden reverts to the claimant to prove the
17 validity of the claim by a preponderance of the evidence," *Ashford v. Consolidated Pioneer Mortgage*
18 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*
19 *Allegheny Int'l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff'd without opinion* 91 F.3d 151 (9th Cir.
20 1996). "[T]he ultimate burden of persuasion is always on the claimant." *Holm*, 931 F.2d at 623 (quoting
21 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
22 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (BAP 9th Cir. 1993); *In re Fidelity*
23 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

24 As set forth above, the Reorganized Debtors submit that the Duplicate Claims are duplicates and
25 should be disallowed. If any Claimant believes that a Duplicate Claim is valid and non-duplicative, it
26 must present affirmative evidence demonstrating the validity of that claim.

27 _____
28 ³ Under Section 7.1 of the Plan, the Reorganized Debtors have until 180 days after the Plan's Effective Date to bring objections to claims, which deadline may be extended by the Court.

1 **V. RESERVATION OF RIGHTS**

2 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
3 the Proofs of Claim listed in this Objection (including the Duplicate Claims and the Surviving Claims)
4 on any ground, and to amend, modify, or supplement this Objection to the extent an objection to a claim
5 is not granted, and to file other objections to any proofs of claims filed in these cases, including, without
6 limitation, objections as to the amounts asserted therein, or any other claims (filed or not) against the
7 Debtors, regardless of whether such claims are subject to this Objection. A separate notice and hearing
8 will be scheduled for any such objections. Should the grounds of objection specified herein be overruled
9 or withdrawn, wholly or in part, the Reorganized Debtors reserve the right to object to the Duplicate
10 Claims on any other grounds that the Reorganized Debtors may discover or deem appropriate.

11 **VI. NOTICE**

12 Notice of this Objection will be provided to (i) holders of the Duplicate Claims; (ii) the Office of
13 the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) counsel
14 to the Creditors Committee; (iv) counsel to Tort Claimants Committee; (v) all counsel and parties
15 receiving electronic notice through the Court's electronic case filing system; (vi) the Claimants who hold
16 the Objected-To Claims, by mail at the address(es) reflected in their filed Proofs of Claim; and (vii) those
17 persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to
18 Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice is required.
19 No previous request for the relief sought herein has been made by the Reorganized Debtors to this or
20 any other Court.

21 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
22 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
23 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other
24 and further relief as the Court may deem just and appropriate.

25 Dated: August 13, 2020

KELLER BENVENUTTI KIM LLP

26 By: /s/ Peter J. Benvenutti
27 Peter J. Benvenutti

28 Attorneys for Debtors and Reorganized Debtors